

MILTON ABBEY SCHOOL SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2006

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MILTON ABBEY SCHOOL SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS	JKE Stanford OBE WJ Hughes D'Aeth BA PGCE Commander Rob Dean RN BSc (Hons) CDip AF FCMl J D E Joicey-Cecil FCA FSI Patrick William McGrath
SECRETARY	Commander Rob Dean RN BSc (Hons) CDip AF FCMl
COMPANY NUMBER	4338771
REGISTERED OFFICE	Milton Abbey School Milton Abbey Blandford Forum Dorset DT11 0BZ
AUDITORS	Horwath Clark Whitehill LLP Chartered accountants & Registered auditors Carrick House Lypiatt Road Cheltenham Glos GL50 2QJ

MILTON ABBEY SCHOOL SERVICES LIMITED

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MILTON ABBEY SCHOOL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2006

The directors present their report and the financial statements for the year ended 31 August 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

PRINCIPAL ACTIVITIES

The principal activities of the company are that of providing support to the School, its parent undertaking and holding weddings, running a golf course and selling uniform

Turnover for the year was £218,826 compared to £211,185 for the previous year. The accounts show a profit of £28,334 (2005 loss £8,000)

The company is funded by a long term loan from its parent, The Council of Milton Abbey School Limited. After paying interest on this loan, any surplus is covenanted to the School. No corporation tax is payable as the covenant is allowed as a charge against profits.

The directors are satisfied with the company's performance and financial position

MILTON ABBEY SCHOOL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2006

DIRECTORS

The directors who served during the year and their interests in the company's issued share capital were

	Ordinary shares of £1 each	
	31/8/06	1/9/05
JKE Stanford OBE	-	-
WJ Hughes D'Aeth BA PGCE	-	-
Commander Rob Dean RN BSc (Hons) CDip AF FCMI	-	-
J D E Joicey-Cecil FCA FSI	-	-
Patrick William McGrath	-	-

None of the directors were given the right to subscribe for shares during the year

POLITICAL AND CHARITABLE CONTRIBUTIONS

A gift aid donation of £238 was made to The Council of Milton Abbey School (2005 £NIL)

AUDITORS

The auditors, Horwath Clark Whitehill LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the board on MARCH 13th 2007 and signed on its behalf

Director 

MILTON ABBEY SCHOOL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MILTON ABBEY SCHOOL SERVICES LIMITED

We have audited the financial statements of Milton Abbey School Services Limited for the year ended 31 August 2006 which comprise the Profit and Loss Account, Balance Sheet and the related notes set out on pages 5 to 9. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

MILTON ABBEY SCHOOL SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MILTON ABBEY SCHOOL
SERVICES LIMITED**

UNQUALIFIED OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 August 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



HORWATH CLARK WHITEHILL LLP

Chartered accountants & Registered auditors

Carrick House
Lypiatt Road
Cheltenham
Glos
GL50 2QJ

Date 13/3/07

MILTON ABBEY SCHOOL SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2006**

	Note	2006 £	2005 £
TURNOVER	1	218,826	211,185
Cost of sales		<u>(146,561)</u>	<u>(171,249)</u>
GROSS PROFIT		72,265	39,936
Administrative expenses		<u>(41,062)</u>	<u>(45,195)</u>
OPERATING PROFIT/(LOSS)	2	31,203	(5,259)
Interest receivable		238	259
Interest payable		<u>(3,107)</u>	<u>(3,000)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		28,334	(8,000)
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES		<u>-</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		28,334	(8,000)
LOSS BROUGHT FORWARD		<u>(32,430)</u>	<u>(24,430)</u>
LOSS CARRIED FORWARD		<u><u>(4,096)</u></u>	<u><u>(32,430)</u></u>

The notes on pages 7 to 9 form part of these financial statements

MILTON ABBEY SCHOOL SERVICES LIMITED

**BALANCE SHEET
AS AT 31 AUGUST 2006**

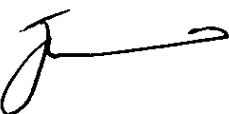
	Note	2006 £	2005 £
CURRENT ASSETS			
Stocks		35,187	29,050
Debtors	4	123,376	96,038
Cash at bank		3,052	29,682
		<u>161,615</u>	<u>154,770</u>
CREDITORS: amounts falling due within one year	5	<u>(165,710)</u>	<u>(187,199)</u>
NET CURRENT LIABILITIES		<u>(4,095)</u>	<u>(32,429)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(4,095)</u>	<u>(32,429)</u>
CAPITAL AND RESERVES			
Called up share capital	6	1	1
Profit and loss account		<u>(4,096)</u>	<u>(32,430)</u>
SHAREHOLDERS' FUNDS		<u>(4,095)</u>	<u>(32,429)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

MARCH 13th 2007

Director



The notes on pages 7 to 9 form part of these financial statements

MILTON ABBEY SCHOOL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Wedding equipment	-	20% straight line
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1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.7 Going concern

At the balance sheet date the company had net liabilities of £4,095 (2005 £32,429)

The company is relying on the continued support of its parent company who has expressed its willingness to provide continued financial support

MILTON ABBEY SCHOOL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006**

2 OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

	2006 £	2005 £
Depreciation of tangible fixed assets - owned by the company	-	1,920
Auditors' remuneration	200	4,000
	<u>200</u>	<u>4,000</u>

During the year, no director received any emoluments (2005 - £NIL)

3 TANGIBLE FIXED ASSETS

	Wedding equipment £	Total £
Cost		
At 1 September 2005 and 31 August 2006	5,400	5,400
Depreciation		
At 1 September 2005 and 31 August 2006	5,400	5,400
Net book value		
At 31 August 2006	-	-
At 31 August 2005	-	-

4. DEBTORS

	2006 £	2005 £
Amounts owed by group undertakings	80,187	77,186
Other debtors	43,188	18,851
Called up share capital not paid	1	1
	<u>123,376</u>	<u>96,038</u>

MILTON ABBEY SCHOOL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006

5 CREDITORS

Amounts falling due within one year

	2006 £	2005 £
Payments received on account	-	8,198
Trade creditors	13,851	38,778
Amounts owed to group undertakings	126,672	125,855
Social security and other taxes	9,152	7,167
Other creditors	16,035	7,201
	<u>165,710</u>	<u>187,199</u>

6 SHARE CAPITAL

	2006 £	2005 £
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

7 RELATED PARTY TRANSACTIONS

Under the provision of Financial Reporting Standard No 8, related party transactions with the group entities are exempt from disclosure as all the entities are included within the consolidated financial statements of The Council of Milton Abbey School Limited, the ultimate parent undertaking

8. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 31 August 2006, the ultimate parent undertaking and controlling party was The Council of Milton Abbey School Limited, which is a registered charity. Copies of the consolidated accounts can be obtained from Milton Abbey School, Blandford Forum, DT11 0BZ

MILTON ABBEY SCHOOL SERVICES LIMITED

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2006**

	Page	2006 £	2005 £
TURNOVER	11	218,826	211,185
Cost of sales	11	(146,561)	(171,249)
		<hr/>	<hr/>
GROSS PROFIT		72,265	39,936
LESS OVERHEADS			
Administration expenses	11	(41,062)	(45,195)
		<hr/>	<hr/>
OPERATING PROFIT/(LOSS)		31,203	(5,259)
Interest receivable	11	238	259
Interest payable	12	(3,107)	(3,000)
		<hr/>	<hr/>
PROFIT/(LOSS) FOR THE YEAR		28,334	(8,000)
		<hr/>	<hr/>

MILTON ABBEY SCHOOL SERVICES LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2006**

	2006 £	2005 £
TURNOVER		
Weddings income	108,677	126,660
Lettings income	29,679	16,538
Golf club income	14,059	13,040
Uniform shop income	54,695	43,346
Swimming pool income	8,125	4,055
Other income - UK	3,591	7,546
	<u>218,826</u>	<u>211,185</u>
	2006 £	2005 £
COST OF SALES		
Weddings costs	76,480	109,964
Lettings costs	5,155	8,597
Golf club costs	12,208	13,557
Uniform shop costs	41,318	27,731
Swimming pool costs	11,400	11,400
	<u>146,561</u>	<u>171,249</u>
	2006 £	2005 £
ADMINISTRATION EXPENSES		
Charity donations	238	-
Staff salaries	28,622	22,981
Auditors' remuneration	200	4,000
Commissions payable	5,400	5,400
Printing and stationery	-	82
Legal and professional	300	3,350
Bank charges	770	918
Depreciation - wedding equipment	-	1,920
Sundry expenses	79	716
Royalties	5,453	5,828
	<u>41,062</u>	<u>45,195</u>
	2006 £	2005 £
INTEREST RECEIVABLE		
Bank interest receivable	<u>238</u>	<u>259</u>

MILTON ABBEY SCHOOL SERVICES LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2006

	2006 £	2005 £
INTEREST PAYABLE		
Group interest payable	<u>3,107</u>	<u>3,000</u>